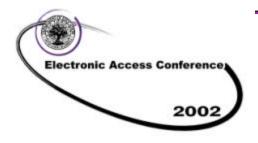


U.S. Department of EDUCATION



RETURN OF TITLE IV FUNDS

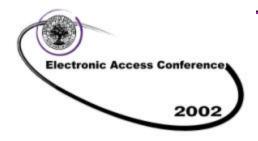
- back to the basics



When is R2T4 applicable?

- When the student begins class & then ceases enrollment prior to the scheduled end of the payment period or period of enrollment
- Otherwise;
 - If the student never established eligibility, all the TIV funds must be returned (see 34 CFR 668.21, 682.604(d)(3) or (4), & 685.303(b)(3)).



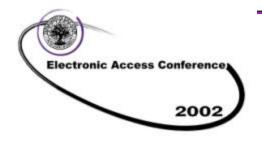


What happens when a student withdraws?

- Determine whether the "required to take attendance" or "NOT required to take attendance" rules are applicable.
- Determine withdrawal date.
- Determine amount student earned.
 - (Don't include FWS or the non-Federal share of FSEOG.) (Include amounts that were or could have been disbursed.)

EITHER

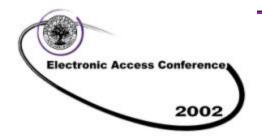
- Return unearned funds to Title IV programs, or
- Pay student post-withdrawal disbursement of CATION



Withdrawal date (inst. req'd to take attendance -668.22(b))

- NEW! If an outside entity has a requirement, as determined by the entity, that the institution must take attendance.
- Last date as determined by attendance records.
- Institution must document withdrawal date.
- Applicable to those who cease attendance,
 or do not return from leave of absence.

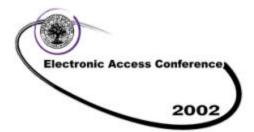




Withdrawal date (attendance taking not required 668.22(c))

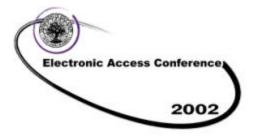
- Date student began withdrawal process
- Date student otherwise provided official notification
- Mid-point of PP or Period Of Enrollment
- Date institution determines illness, accident grievous personal loss, etc. occurred
- Date of leave of absence, or
- Last date at an academically related activity





PP or POE

- For a standard term based program, MUST use payment period (PP).
- For a non-term based or non-standard term program, use payment period or period of enrollment (POE).
- For a non-term or non-standard term based program, an institution must consistently use either a PP or POE for all students (in a category) in a particular program.



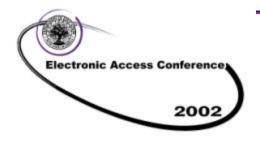
% Earned

- For credit hour programs, it =
 calendar days* completed
 calendar days* in the period
- * except inst. scheduled breaks of 5 consecutive days or more
- For clock hour programs, it = clock hours completed clock hours in the period (OR)

clock hours scheduled clock hours in the period (if $\geq 70\%$)

Note: Excused absences are NOT counted in the 70%

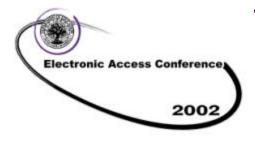




Calculation of amount of aid to be returned

- Multiply the % of the payment period or period of enrollment completed (or 100% once the student completes >60%) X the aid that was disbursed or could have been disbursed. This is the earned amount.
- Subtract the earned amount from the aid disbursed as of the date of the institution's determination that the student withdrew.





Return of Unearned Aid – Institution

Institution returns the **lesser** of ---

- 1.) amount disbursed
 - <u>amount earned</u> (or)
- 2.) institutional charges
 - x percentage not earned





Return of Title IV funds

- Student Responsibility
 - Total amount of unearned title IV aid Amount institution is required to return = Amount for which the student is responsible.
 - Student returns his or her share to ---
 - Title IV loan programs in accordance with the terms of the loan
 - Title IV grant programs as an overpayment (only up to 50% of the amount of the overpayment).

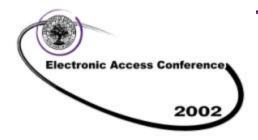




Return of Title IV funds

- Student Responsibility, (cont'd)
- Title IV grant overpayment
 - Student remains title IV elig. thru 45 days,
 if the student -
 - repays the overpayment in full to the institution,
 - makes repayment arrangements satisfactory to the institution, or
 - signs a repayment agreement w/ the Secretary which will include terms that permit continued elig. while in repayment.





Return of Title IV funds

■ 1.) Loans

-Fed. Unsubsidized

-Fed. Subsidized

-FPerkins

-FPlus

2.) Grants (& Other)

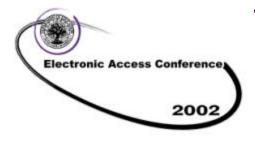
-FPell

-FSEOG

-Other title IV

- Institution must return the funds ASAP,
 - but no later than 30 days after the institution determines withdrawal date.

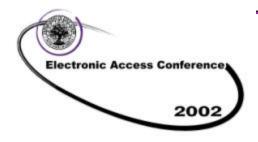




Return of funds (con't)

- Institution must determine the withdrawal date (for a student who does not provide notification) --
 - -- no later than 30 days after the expiration of the earlier of --
 - -- PP or POE,
 - -- the academic year, or
 - -- the educational program.

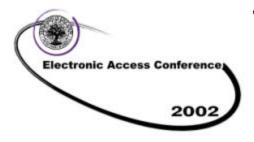




Post-Withdrawal Disbursement

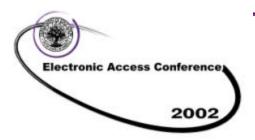
- May credit for institutional charges.
- For loan funds to be credited notify borrower because borrower can cancel or reduce loan.
- If not credited offer to student (with written notification) within 30 days of institution's determination of withdrawal.
- Recipeint has 14 days to accept but school can choose to make disbursement after that, if there is a late acceptance.





Post-Withdrawal Disbursement

- The written notification ---
 - identifies the title IV funds not credited to account,
 - explains the ability of the student to accept or decline, and
 - advises about the 14 day deadline for the student to respond. (Then 120 days to disb. – up from 90 days.)
- Electronic or written notification regarding the outcome of a postwithdrawal disbursement requestication



Crediting the student's account

- Inst. may credit the student's acct., without permission, to satisfy charges (prior to the WD) for;
 - Tuition & fees
 - Board if contracted with the school
 - Room if contracted with the school
- After obtaining authorization may credit
 - current charges for educationally related activities
 - minor prior yr.. charges that are either less than \$100, or if paid, will not prevent the payment of current educational costs

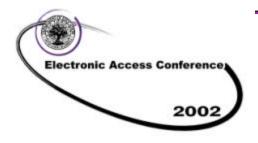




Rescinding withdrawal

- Institution's choice
- Written notice required of student that
 - he is continuing in academic activities,
 - and intends to complete the period.
- Negated if student subsequently ceases to attend prior to the end of
 - -- the payment period or
 - -- the period of enrollment.

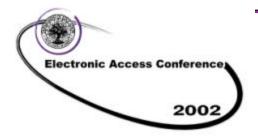




Approved leave of absence (LOA)

- Nov. 1, 2002 final regulations the sum of the total number of days in an approved LOA cannot exceed 180 days within a 12month period
- Inst. must collect the student's reason for the requested LOA
- Formal policy that the student and institution followed

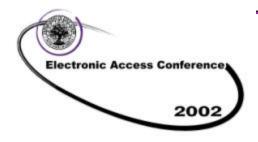




Leave of absence (con't)

- Reasonable expectation that the student will be able to return (and the student must return by the end of the leave of absence or the student is treated as a withdrawal),
- No additional institutional charges, and
- The student is permitted to complete the coursework.
- Must tell Title IV loan recipient that failure to return will affect grace period.

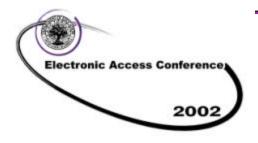




Institutional Charges

- For a non-term program, where the treatment of title IV aid is calculated on a PP basis, but the institutional charges are for a period longer than the PP --
 - --the amount of institutional charges incurred for the PP is the **greater** of --
 - -- the pro rated amount of the charges, or
 - --the amount of title IV aid retained for institutional charges.

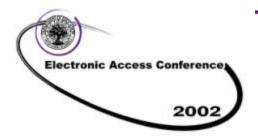




Student's Overpayment (con't)

- Student in overpayment remains eligible
 - (generally) for 45 days or
 - until he fails to meet terms of repayment agreement.
 - beyond the 45days, if he
 - repays in full, or
 - enters into repayment agreement with either the inst or the secretary.

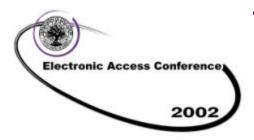




Consumer Information

- Institution must provide information about the return of title IV funds when a student withdraws per S 668.44 (.43 in new regs).
- Sec 668.43 requires information about --
 - any refund policy with which the institution is required to comply,
 - -- requirements for officially withdrawing,
 - -- summary of requirements of S 668.22.





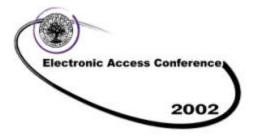
Definitions

"Could have been disbursed" =

late disbursement provisions of 668.164(g)

- received SAR/ISIR w/ EFC changed to "the Secretary processed a SAR/ISIR w/ an official EFC" and
- FFEL/DL loan was certified/originated
- FPerkins/FSEOG aid was awarded
- "Period of enrollment" = academic period for which charges are assessed, i.e., the program or academic year

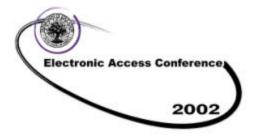




Definitions con't

- "Date institution determines withdrawal" (for a student whose rescission of his notification to withdraw is negated by the fact that he subsequently stops attending the institution) =
 - -- the date the institution becomes aware that the student did not or will not complete the PP or POE.



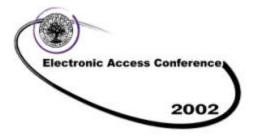


Definitions con't

"Date institution determines withdrawal" (when student does not return from leave of absence) =

- the earlier of --the expiration of the leave or
 - -- the date the student notifies the institution that he will not be returning.

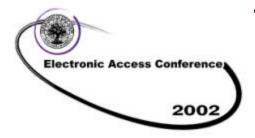




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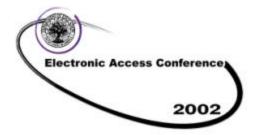




Sample calculations

- Let's look at some examples in your handouts.
- Example 1: Credit-hour Bella Donna
- Example 2: Clock-hour Wanna Gohome





QUESTIONS ???

Questions ????

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Your presenter

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